

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
NEW ALBANY DIVISION

IN RE:	)	Chapter 11
	)	
EASTERN LIVESTOCK CO., LLC,	)	Case No. 10-93904-BHL-11
	)	
Debtor.	)	Hon. Basil H. Lorch III

**THIRD INTERIM APPLICATION OF FAEGRE BAKER DANIELS LLP FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES  
AS COUNSEL FOR JAMES A. KNAUER, CHAPTER 11 TRUSTEE**

Faegre Baker Daniels LLP ("FBD") hereby makes its third interim application ("Third Application") for the allowance and payment of its attorneys' fees as counsel for James A. Knauer, the chapter 11 trustee appointed in this case (the "Trustee") and for reimbursement of out-of-pocket expenses advanced on behalf of the Trustee. In support of this Third Application, FBD states as follows:

1. Petitioning creditors commenced the above-captioned chapter 11 case ("Chapter 11 Case") against Debtor on December 6, 2010 ("Petition Date") by filing an involuntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. ("Bankruptcy Code"). This Court entered its *Order For Relief In An Involuntary Case And Order To Complete Filing* [Docket #110] on December 28, 2010.

2. On December 27, 2010, the Court entered its *Order Approving The Appointment Of James A. Knauer As Chapter 11 Trustee* [Docket #102] ("Trustee Order"), approving the United States Trustee's *Notice Of Appointment And Application for Order Approving Appointment of Trustee* [Docket #98] pursuant to 11 U.S.C. § 1104.

3. This Court, by order dated February 1, 2011 [Docket #248], approved the Trustee's retention of FBD as the Trustee's counsel.

4. This Third Application is the third interim application filed by FBD seeking compensation and reimbursement of out-of-pocket expenses advanced by counsel for the Trustee for the period September 1, 2011 through and including September 30, 2012 (the "Third Period").

5. In the course of its representation of the Trustee during the Third Period, FBD has performed a variety of services, all of which are described in detail in the billing statements attached as Exhibit A. The services performed by FBD for and on behalf of the Trustee during the Third Period include, but are not limited to the following categories:

- a. Asset Analysis and Recovery [B001]. FBD assisted the Trustee with identification, assessment, and review of potential assets including causes of action and non-litigation recoveries.
- b. Asset Disposition [B002] and Valuation [B021]. FBD assisted the Trustee with identification, strategy, and analysis of business components in determining the valuation of and the benefits of asset disposition.
- c. Business Operations [B003] and Tax Issues [B020]. FBD assisted the Trustee with matters generally related to the Debtor's operations, including settlement of contracts and establishment of procedures for selling cattle inventory.
- d. Case Administration [B004]. This category consists primarily of work discharged by paralegals, and includes the accumulation, organization, retention and distribution of information for reporting purposes, the preparation of pleadings and notices, preparation for hearings, as well as for parties in interest, assembly of, filing, and maintenance of files concerning the pleadings filed in the case, communications with attorneys regarding appearance and interventions to make sure that all counsel were properly included upon the service list, review and calendaring of orders and notices, and communications with the Court regarding the entry and distribution of same. At times this category also includes work discharged by attorneys interacting with the Court and the Clerk's office to ensure that matters are handled efficiently and within the applicable rules.
- e. Claims Administration And Objections [B005]. FBD assisted and advised the Trustee with respect to developing means to identify and address

emergency and emerging issues related to prepetition claims and administrative claims and responded to creditor inquiries.

- f. Fee/Employment Applications [B007] and Fee/Employment Objections [B008]. FBD assisted the Trustee with the preparation of employment applications and responded to objections or inquiries to same.
  - g. Financing [B009] and Corporate Finance [B016]. FBD represented the Trustee in negotiating continuing cash use and case administration financing with Fifth Third Bank and other parties in interest, and assisted Development Specialists, Inc. ("DSI") with budgets.
  - h. Litigation [B010] and Relief from Stay Proceedings [B013]. FBD assisted the Trustee with matters relating to various interpleader actions, adversary proceedings and collection of outstanding accounts, including legal research of jurisdictional issues, fact gathering and strategy discussions.
  - i. Plan and Disclosure Statement [B012]. FBD assisted the Trustee in formulating a framework for a distribution chapter 11 plan and term sheet, including negotiating with Fifth Third Bank, creditors and other parties in interest.
  - j. Data Analysis [B017], Litigation Consulting [B018], and Reconstruction Accounting [B019]. This category consists primarily of work discharged by litigation support analysts, accounting and records analysis, construction, maintenance and reporting of significant case financial data, contracts and claims.
  - k. Travel [B022]. Time spent traveling to attend hearings and meetings.
6. FBD has reviewed its detailed summary of time, and has attempted to

eliminate double billing for conference time between FBD's timekeepers, except where the participation of the timekeepers with different expertise benefits the estate by addressing multiple issues involved in a single matter. The designation of "NC" or "\$0.00" after a description of services means that no time has been charged for those services. Where possible and efficient, FBD encourages the use of lesser billing rate attorneys to perform labor intensive tasks, with oversight and review by more experienced attorneys.

7. Exhibit A provides the detail of the time and hourly billing rate for each attorney, law clerk or paralegal of FBD who has performed services in this case during the Third Period on matters not related to the Bond for which Mr. Knauer serves as bond trustee. The detail of time spent on the Bond is on Exhibit B. On or about July 10, 2012, certain parties in interest filed motions to remove James A. Knauer as trustee for the estate of the Debtor. See Docket Nos. 1237, 1239, 1248, and 1377 (collectively, the "Trustee Removal Motions"). On or about July 10, 2012, certain parties in interest filed motions to remove FBD as counsel to the Trustee. See Docket Nos. 1238, 1248, 1278, 1279, and 1377 (collectively, the "FBD Removal Motions"). On August 31, 2012, the Court entered orders denying the Trustee Removal Motions and the FBD Removal Motions (Docket Nos. 1388 and 1389) (collectively, the "Court Orders")<sup>1</sup>. Though denying the relief sought by the parties in interest, the Court ordered FBD as follows: "Accordingly, in its next fee application, FBD shall (i) seek no compensation for such matters, and (ii) shall deduct the amount equal to the compensation the Court has already approved for such matters from the fees it would otherwise be eligible to receive." Accordingly, FBD has reviewed its two prior interim fee applications and has identified the sum of \$15,480.00 in fees that FBD was awarded that pertain to the Court's Order. The fee items identified by FBD in its two prior interim fee applications are marked with a "D" next to the time entry in the attached Exhibit B. Similarly, FBD has reviewed this current Third Interim Application in light of the Court's order and has identified the sum of \$90,569.50 as fee items to which FBD in believes the Court Order applies. Those fee items are identified on Exhibit A by a "D" next to the time entry. In those cases where the descriptive time entry includes matters that are not relevant to the Court

---

<sup>1</sup> Four "groups" of parties in interest have filed appeals of the Court's Orders denying the Trustee Removal Motions. As part of larger settlements among the Trustee, the estate, Fifth Third and others, two of the groups appealing will

Order, the amount of the entry that is relevant and deducted is noted in the partial deduction column. Where there is no partial entry deduction, the full amount of the fee for that time entry was deducted. The total deductions for all three interim fee applications totals \$106,049.50.

8. A summary of the fees requested by FBD for each such attorney, law clerk or paralegal and the number of hours worked for each individual, the billing rate requested and the total fees claimed is set forth below, segregated into separate matters for accounting and billing purposes (the amounts below are not individually adjusted for the fees and hours deducted, but are adjusted in the total):

**"Eastern Livestock" matter**

<b>Timekeeper</b>	<b>Hours</b>	<b>Value</b>	<b>Bill Rate</b>
T.E. Hall	764.40	294,346.00	385.07
D.P. Bennett	8.10	4,050.00	500.00
J.R. Burns	197.40	108,562.50	549.96
J.M. Carr	649.50	368,973.00	568.09
S.A. Claffey	1.70	892.50	525.00
J. Jaffe	68.40	37,252.50	544.37
J.W. Purcell	0.30	177.00	590.00
R.A. Richardson	3.50	1,712.50	489.29
C.G. Scanlon	0.50	300.00	600.00
G.L. Skolnik	0.20	109.00	545.00
B.D. Taylor	1.30	640.00	492.31
K.M. Toner	1,471.40	666,868.00	453.21
S.G. O'Neill	245.80	88,782.00	361.20
P.J. Gutwein, II	9.40	3,337.00	355.00
J.B. Laramore	14.20	7,597.00	535.00
J.P. Hanlon	1.00	440.00	440.00
S.M. Eikenberry	428.10	148,768.50	347.51
W.W. Ponader	404.00	172,868.00	427.89
A. Hertzke	1.90	475.00	250.00
M.F. Wyman	8.10	2,349.00	290.00
M.D. Pfleging	0.40	124.00	310.00
D.R. DeNeal	688.80	179,868.00	261.13
M.S. Korpalski	1.90	465.50	245.00
H.A. Mappes	1,077.40	311,812.00	289.41

---

dismiss their appeals. The Trustee has filed a motion to dismiss the remaining appeals.

<b>Timekeeper</b>	<b>Hours</b>	<b>Value</b>	<b>Bill Rate</b>
K.J. Mitchell	61.20	18,666.00	305.00
D.R. Kelley	10.90	2,725.00	250.00
K.D. Britton	474.20	102,237.00	215.47
D.E. Pulliam	2.50	562.50	225.00
S.B. Herendeen	501.20	108,125.00	215.73
J.L. Ferber	165.00	38,628.00	234.11
A.K. Castor	40.10	8,230.00	205.24
O.L. Nansen	11.10	2,053.50	185.00
J.M. Pohlman	0.80	160.00	200.00
S. Flynn	1.00	205.00	205.00
J.M. Johns	179.20	42,428.00	236.76
G.J. Barberio	1.30	299.00	230.00
A.E. Magers	6.20	1,116.00	180.00
H.E. Trivers	15.30	2,132.00	139.35
Misc		-93.50	
<b>Total Before Deductions</b>	<b>7,517.70</b>	<b>\$ 2,728,242.50</b>	
<b>Total Deductions</b>		<b>\$ -106,049.50</b>	
<b>Total After Deductions</b>		<b>\$ 2,622,193.00</b>	

#### Bond Claim matter

<b>Hours</b>	<b>Rate</b>	<b>Total Fee</b>
0.2	\$390.00	\$78.00
8.0	\$256.25	\$2,050.00
<b>TOTALS</b>	<b>8.2</b>	<b>\$2,128.00</b>

9. FBD has advanced the sum of \$64,268.22 ("Eastern Livestock" matter)

and \$729.30 ("Bond Claims" matter) for out-of-pocket expenses incurred in connection with this case on behalf of the Trustee during the Third Period. A summary of the out-of-pocket expenses incurred by FBD is set forth in Exhibit C.

10. Within the "Eastern Livestock" matter, FBD established certain task codes that cause related time to be grouped together to facilitate the review of the firm's requested fees by the Court, the United States Trustee, and creditors. Set forth below is a summary of the aggregate billings under the established task codes during the Third Period (the amounts below are not individually adjusted for the fees and hours deducted, but are adjusted in the total ).

**"Eastern Livestock" matter**

<b>Task Code</b>	<b>Task Code Description</b>		<b>By Task Code</b>	
	<b>Act Code</b>	<b>Activity Code Description</b>	<b>Hours</b>	<b>Value</b>
B001		Asset Analysis and Recovery	856.70	348,329.50
B002		Asset Disposition	118.70	46,499.00
B003		Business Operations	17.80	7,458.00
B004		Case Administration	1,266.80	418,061.50
B005		Claims Administration and Objections	397.00	155,386.00
B006		Employee Benefit/Pensions	10.50	3,845.00
B007		Fee/Employment Applications	50.40	16,915.50
B008		Fee/Employment Objections	11.00	5,363.50
B009		Financing	44.80	19,124.50
B010		Litigation	4,093.00	1,476,765.50
B012		Plan and Disclosure Statement	290.10	117,076.50
B013		Relief From Stay Proceedings	78.80	28,393.50
B015		Business Analysis	6.70	3,400.50
B017		Data Analysis	193.20	45,908.00
B018		Litigation Consulting	20.00	10,433.00
B020		Tax Issues	20.30	8,841.00
B022		Travel	41.90	16,442.00
		<b>Total Before Deductions</b>	<b>7,517.70</b>	<b>\$2,728,242.50</b>
		<b>Deductions</b>		<b>\$-106,049.50</b>
		<b>Total After Deductions</b>		<b>\$2,622,193.00</b>

**"Bond Claims" matter**

<b>Task Description</b>	<b>Hours</b>	<b>Value</b>
Asset Disposition [B002]	0.2	\$78.00
Claims Administration and Objections [B005]	8.0	\$2,050.00
<b>TOTALS</b>	<b>8.2</b>	<b>\$2,128.00</b>

11. Pursuant to the *Order Granting First Interim Application Of Baker & Daniels LLP For Compensation And Reimbursement Of Expenses As Counsel For James A. Knauer, Chapter 11 Trustee* ("First Interim Compensation Order") [Docket #577], the Court approved FBD's fees and expenses incurred for the period December 27, 2010 through and

including April 30, 2011 in the amounts of \$634,614.50 and \$25,851.82, respectively. FBD has been paid \$660,166.32 on account of the fees and expenses approved by the First Interim Compensation Order.

12. Pursuant to the *Order Granting Second Interim Application Of Baker & Daniels LLP For Compensation And Reimbursement Of Expenses As Counsel For James A. Knauer, Chapter 11 Trustee* ("Second Interim Compensation Order") [Docket #917], the Court approved FBD's fees and expenses incurred for the period May 1, 2011 through and including August 31, 2011 in the amounts of \$599,975.00 and \$21,383.32, respectively. FBD has been paid \$621,358.32 on account of the fees and expenses approved by the Second Interim Compensation Order. This Third Application is the third application of FBD for interim compensation.

13. No agreement or understanding exists between FBD and any other person or entity for the sharing of compensation received for services rendered in connection with this case.

14. All services rendered and all expenses incurred for which compensation or reimbursement is sought have been rendered or incurred exclusively on behalf of the Trustee and represent necessary and proper legal assistance in the administration of this chapter 11 case.

WHEREFORE, FBD requests (i) the Court to award compensation for services performed during the Third Period, as adjusted, by allowing attorneys' fees in the amount of \$2,622,193.00 plus order reimbursement for out-of-pocket expenses incurred during the Third Period in the amount of \$64,997.52, and (ii) grant FBD all other just and proper relief.



Respectfully submitted,

FAEGRE BAKER DANIELS LLP

By: /s/ Terry E. Hall

*Counsel for James A. Knauer, Chapter 11 Trustee*

James M. Carr (#3128-49)  
Terry E. Hall (#22041-49)  
Kevin M. Toner (#11343-49)  
Harmony Mappes(#27237-49)  
Dustin R. DeNeal (#27535-49)  
300 N. Meridian Street, Suite 2700  
Indianapolis, IN 46204-1782  
Telephone: (317) 237-0300  
Facsimile: (317) 237-1000  
jim.carr@faegrebd.com  
kevin.toner@faegrebd.com  
terry.hall@faegrebd.com  
harmony.mappes@faegrebd.com  
dustin.deneal@faegrebd.com

Wendy W. Ponader (#14633-49)  
600 East 96th Street, Suite 600  
Indianapolis, IN 46240  
Telephone: (317) 569-9600  
Facsimile: (317) 569-4800  
wendy.ponader@faegrebd.com

**CERTIFICATE OF SERVICE**

I hereby certify that on November 21, 2012, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

David L. Abt  
davidabt@mwt.net

Mark A. Robinson  
mrobinson@vhlaw.com

Randall D. LaTour  
rdlatour@vorys.com

Daniel J. Donnellon  
ddonnellon@ficlaw.com

John W. Ames  
james@bgdlegal.com

C. R. Bowles, Jr  
cbowles@bgdlegal.com

Jeffrey R. Erler  
jeffe@bellnunnally.com

John R. Carr, III  
jrciii@acs-law.com

Stephen A. Weigand  
sweigand@ficlaw.com

Robert Hughes Foree  
robertforee@bellsouth.net

John Hunt Lovell  
john@lovell-law.net

Edward M King  
tking@fbtlaw.com

Bret S. Clement  
bclement@acs-law.com

John Frederick Massouh  
john.massouh@sprouselaw.com

Kim Martin Lewis  
kim.lewis@dinslaw.com

Jeremy S Rogers  
Jeremy.Rogers@dinslaw.com

Meredith R. Thomas  
mthomas@daleeke.com

Charles R. Wharton  
Charles.R.Wharton@usdoj.gov

David L. LeBas  
dlebas@namanhowell.com

Jessica E. Yates  
jyates@swlaw.com

Laura Day Delcotto  
ldelcotto@dlgfirm.com

Ross A. Plourde  
ross.plourde@mcafeetaft.com

Todd J. Johnston  
tjohnston@mcjllp.com

Karen L. Lobring  
lobring@msn.com

Elliott D. Levin  
edl@rubin-levin.net

Sean T. White  
swhite@hooverhull.com

Michael W. McClain  
mike@kentuckytrial.com

James Edwin McGhee  
mcghee@derbycitylaw.com

Jerald I. Ancel  
jancel@taftlaw.com

David Alan Domina  
dad@dominalaw.com

Jill Zengler Julian  
Jill.Julian@usdoj.gov

Michael Wayne Oyler  
moyler@rwsvlaw.com

James E. Rossow  
jim@rubin-levin.net

Steven A. Brehm  
sbrehm@bgdlegal.com

James M. Carr  
james.carr@faegrebd.com

Shawna M. Eikenberry  
shawna.eikenberry@faegrebd.com

James A. Knauer  
jak@kgirlaw.com

Christie A. Moore  
cm@gdm.com

Ivana B. Shallcross  
ishallcross@bgdlegal.com

William Robert Meyer, II  
rmeyer@stites.com

James Bryan Johnston  
bjtexas59@hotmail.com

Judy Hamilton Morse  
judy.morse@crowedunlevy.com

John Huffaker  
john.huffaker@sprouselaw.com

Kelly Greene McConnell  
lisahughes@givenspursley.com

Walter Scott Newbern  
wsnewbern@msn.com

Timothy T. Pridmore  
tpridmore@mcjllp.com

Sandra D. Freeburger  
sfreeburger@dsf-atty.com

John M. Rogers  
johnr@rubin-levin.net

Jay P. Kennedy  
jpk@kgirlaw.com

William E Smith  
wsmith@k-glaw.com

Thomas C Scherer  
tscherer@bgdlegal.com

Jeffrey J. Graham  
jgraham@taftlaw.com

Kent A Britt  
kabritt@vorys.com

Jeffrey L Hunter  
jeff.hunter@usdoj.gov

Jason W. Cottrell  
jwc@stuartlaw.com

James B. Lind  
jblind@vorys.com

Anthony G. Raluy  
traluy@fbhlaw.net

Jack S. Dawson  
jdawson@millerdollarhide.com

Terry E. Hall  
terry.hall@faegrebd.com

Erick P. Knoblock  
eknoblock@daleeke.com

Shiv Ghuman O'Neill  
shiv.oneill@faegrebd.com

Deborah Caruso  
dcaruso@daleeke.com

Allen Morris  
amorris@stites.com

James T. Young  
james@rubin-levin.net

John M. Thompson  
john.thompson@crowedunlevy.com

Matthew J. Ochs  
kim.maynes@moyewwhite.com

T. Kent Barber  
kbarber@dlgfirm.com

Kirk Crutcher  
kcrutcher@mcs-law.com

Theodore A Konstantinopoulos  
ndohbky@jbandr.com

Lisa Koch Bryant  
courtmail@fbhlaw.net

John David Hoover  
jdhoover@hooverhull.com

John R. Burns  
john.burns@faegrebd.com

Kayla D. Britton  
kayla.britton@faegrebd.com

David A. Laird  
david.laird@moyewwhite.com

Trevor L. Earl  
tearl@rwsvlaw.com

Joshua N. Stine  
kabritt@vorys.com

Amelia Martin Adams  
aadams@dlgfirm.com

Robert A. Bell  
rabell@vorys.com

Melissa S. Giberson  
msgiberson@vorys.com

U.S. Trustee  
ustpreion10.in.ecf@usdoj.gov

Dustin R. DeNeal  
dustin.deneal@faegrebd.com

Jay Jaffe  
jay.jaffe@faegrebd.com

Harmony A. Mappes  
harmony.mappes@faegrebd.com

Wendy W. Ponader  
wendy.ponader@faegrebd.com

Peter M. Gannott  
pgannott@gannottlaw.com

Joseph H. Rogers  
jrogers@millerdollarhide.com

Andrew D. Stosberg  
astosberg@lloydmc.com

Christopher M. Trapp  
ctrapp@rubin-levin.net

Jennifer Watt  
jwatt@kgirlaw.com

Eric C. Redman  
ksmith@redmanludwig.com

James E. Smith  
jsmith@smithakins.com

Kevin M. Toner  
kevin.toner@faegrebd.com

Eric W. Richardson  
ewrichardson@vorys.com

Joe T. Roberts  
jratty@windstream.net

Robert K. Stanley  
robert.stanley@faegrebd.com

Andrea L. Wasson  
andrea@wassonthornhill.com

Joshua Elliott Clubb  
joshclubb@gmail.com

I further certify that on November 21, 2012, a copy of the foregoing pleading was served via electronic mail transmission on the following:

Ashley S. Rusher  
asr@blancolaw.com

Darla J. Gabbitas  
darla.gabbitas@moyewwhite.com

/s/ Terry E. Hall